

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5506-03
Bill No.: HCS for HB 1710
Subject: Employees- Employers; Economic Development Department; Education, Higher;
General Assembly
Type: Original
Date: April 5, 2012

Bill Summary: This proposal requires the Department of Economic Development to establish the Missouri Works Training Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Missouri Works Job Development Fund	\$0	\$0	\$0
Missouri Works Community College New Jobs Training Fund	\$0	\$0	\$0
Missouri Works Community College Job Retention Training Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 620.800 to 620.809 MO Training Program

Officials at the **Budget and Planning (BAP)** assume this proposal establishes the MO Works Training Program, which streamlines and renames the state's workforce training programs. The benefits provided by these programs are not capped in statute, but are limited by annual appropriation authority. To the extent modifications increase participation in the training programs, General or Total State Revenues could be reduced, but not by more than annual appropriation authority allows. This program may encourage other economic activity, but BAP does not have the data to estimate the induced revenues.

ASSUMPTION (continued)

Officials at the **Metropolitan Community College** assume an unknown but significant impact on the College.

Officials at the **St. Louis Community College** assume there is no fiscal impact from this proposal.

No other Community College responded to **Oversight's** request for impact.

Oversight assumes this proposal creates a new jobs credit and a retained jobs credit that allow a credit from withholding taxes. This proposal creates the following funds:

Missouri Works Job Development Fund which shall receive money from the general assembly. **Oversight** assumes that no funding mechanism was outlined in the proposal for this fund so Oversight is showing the funding as coming from General Revenue. Oversight assumes that all money received by this fund will be distributed per this proposal.

Missouri Works Community College New Jobs Training Fund which shall receive money from the new jobs credits, gifts, and other sources. **Oversight** assumes that all money received by this fund will be distributed to community colleges per this proposal.

Missouri Works Community College Job Retention Training Fund which shall receive money from the retained jobs credits, gifts, and other sources. **Oversight** assumes that all money received by this fund will be distributed per this proposal

Bill as a Whole

Officials at the **Department of Economic Development, Department of Higher Education, Department of Revenue, Joint Committee on Administrative Rules, Missouri House of Representatives, Missouri Housing Development Commission, Missouri Senate, Office of Administration, Office of the Governor** and the **Office of State Treasurer** assume there is no fiscal impact from this proposal.

In response to the previous version of this proposal **Department of Agriculture** and the **Department of Natural Resources** stated this proposal would have no fiscal impact.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Transfer Out - Missouri Works Job Development Fund</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u><u>\$0 to</u></u> <u><u>(Unknown)</u></u>	<u><u>\$0 to</u></u> <u><u>(Unknown)</u></u>	<u><u>\$0 to</u></u> <u><u>(Unknown)</u></u>

**MISSOURI WORKS JOB
DEVELOPMENT FUND**

<u>Transfer In-</u> from General Revenue for providing financial assistance to companies that create new jobs (620.806)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer In-</u> gifts, contributions, grants or bequests received	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer Out -</u> to companies for the training programs set up to help create new jobs	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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**ESTIMATED NET EFFECT ON
MISSOURI WORKS JOB
DEVELOPMENT FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**MISSOURI WORKS COMMUNITY
COLLEGE NEW JOBS TRAINING
FUND**

<u>Transfer In -</u> new jobs credits (620.809)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer In-</u> gifts, contributions, grants or bequests received	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer Out-</u> to community colleges for training project costs	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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**ESTIMATED NET EFFECT ON
MISSOURI WORKS COMMUNITY
COLLEGE NEW JOBS TRAINING
FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**MISSOURI WORKS COMMUNITY
 COLLEGE JOB RETENTION
 TRAINING FUND**

<u>Transfer In</u> - retained jobs credits (620.809)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer In</u> - gifts, contributions, grants or bequests received	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer Out</u> - to community colleges for training programs.	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 MISSOURI WORKS COMMUNITY
 COLLEGE JOB RETENTION
 TRAINING FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses could be financial impacted by this proposal.

FISCAL DESCRIPTION

This bill requires the Department of Economic Development to establish the Missouri Works Training Program to assist qualified companies with the training of employees in new jobs and the retraining or upgrading of the skills of full-time employees in retained jobs. The program is to be funded through appropriations to the Missouri Works Job Development Fund which was formerly the Missouri Job Development Fund, the Missouri Works Community College New Jobs Training Fund which was formerly the Missouri Community College Job Training Program Fund, and the Missouri Works Community College Job Retention Training Fund which was formerly the Missouri Community College Job Retention Training Program Fund. The department must, to the maximum extent practicable, prioritize funding to assist qualified

JH:LR:OD

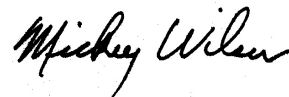
FISCAL DESCRIPTION (continued)

companies in targeted industries. The bill specifies the requirements for a qualified company to receive benefits under the program, how the benefits will be calculated, and the penalties for failure to meet any requirements under the program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Budget and Planning
Department of Agriculture
Department of Economic Development
Department of Higher Education
Department of Natural Resources
Department of Revenue
Joint Committee on Administrative Rules
Metropolitan Community College
Missouri House of Representatives
Missouri Housing Development Commission
Missouri Senate
Office of Administration
Office of the Governor
Office of the Secretary of State
Office of State Treasurer
St. Louis Community College



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Director
April 5, 2012